



▶ **WHAT** is cash?

Settlement agents who receive coins or currency that exceed \$10,000 must report the deposit. Regardless of whether the deposit of the currency is made piecemeal or all at once, as soon as total currency deposited by the person (or by someone on behalf of the person) exceeds \$10,000, the deposit must be reported.

However, since settlement agents generally accept only wires and other types of instruments and do not accept coins or currency, this article will primarily focus on the reporting requirements whenever they receive more than one instrument which is considered “cash.”

“Cash,” for purposes of this reporting requirement, also includes a cashier’s check, official check, money order, bank draft or traveler’s check. It is critically important to remember you need to report these deposits only if **both** statements below are true:

The individual instrument has a face value of \$10,000 or less, **and**

The total amount of that receipt and other such receipts exceeds \$10,000 total.

Since a cashier’s check, official check, bank draft, traveler’s check or money order is only considered to be “cash” if it has a face value of \$10,000 or less, more than one “cash” item must be received in the same transaction before the settlement agent is required to file Form 8300. The “cash” is reportable whether it is received all at once or by installments in the same transaction within a 12-month period.

Instruments **not** considered “cash” as defined by the IRS are:

1. Personal or business checks
2. Cashier’s checks, bank drafts, traveler’s checks or money orders with a face amount **GREATER than \$10,000**.

A cashier’s check, official check, bank draft, traveler’s check or money order with a face amount of more than \$10,000 is not treated as “cash,” because the bank or other financial institution that issued them must file a report. Finally, “cash” also does not include any wire transfer, regardless of amount.

Quiz Time! Identify the types of instruments in the list below which are considered “cash” (There can be more than one answer.)

- A. Cashier’s check in the amount of \$8,555
- B. Business check in the amount of \$9,950
- C. Wire in the amount of \$150,000
- D. Money order in the amount of \$800
- E. Personal check in the amount of \$10,000
- F. Cashier’s check in the amount of \$10,500
- G. Wire in the amount of \$6,000

ANSWERS ON NEXT PAGE

ANSWERS

Items “A” and “D” are the only two items which qualify as “cash.” Next month we will identify when reporting must be done. These deposits are only reported after more than one “cash” deposit has been received and together they total more than \$10,000.

The information provided herein does not, and is not intended to, constitute legal advice; instead, all information, and content, in this article are for general informational purposes only. Information in this article may not constitute the most up-to-date legal or other information.

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